1982

Annual Report

Market Development Centre

P. O. Box 1510
Charlottetown, Prince Edward Island
C1A 7N3 Canada

Telephone (902) 892-4165
Telex: MKTDEVCEN-CHTN 014-44139

March 31, 1983

The Honourable Patrick G. Binns
Minister,
Department of Fisheries and Industry
P. O. Box 2000
Charlottetown, P.E.I.
C1A 7N8

Dear Sir:

In accordance with the provisions of the Market Development Centre Act, I enclose the Annual Report of the Market Development Centre for 1982 and a statement of the Corporation's accounts for the twelve months ending March 31, 1982.

Yours very truly,

Thomas L. DeBlois
Chairman

Encl.

Contents

Background	2
Objectives	2
Highlights	3
Future	3
Agriculture	4
Fisheries	10
Industry	14
General	20

Appendices

A. Island Companies, Commodity Boards, Marketing Boards, Associations and Government Departments which received assistance from the Market Development Centre in 1982	22
B. Board of Directors and Staff	23
C. Financial	24

Background

The Prince Edward Island Development Plan pinpointed the existence of a "marketing gap" as one of the principal reasons that the Island economy had not achieved its full potential. To overcome this deficiency, it was recommended that a marketing research and counselling agency be created to assist agricultural, fisheries and industrial producers in the Province.

In 1969 the Natural Products Marketing Research Centre was established to meet the above requirements. On April 14, 1972, the name was changed to Market Development Centre and legislation establishing the Centre as a Prince Edward Island Crown Corporation was passed.

By-laws were established and approved by Order of His Honour the Lieutenant Governor-in-Council dated September 17, 1972, to control and direct the operation of the Market Development Centre. The legislation provides for a Board of Directors of ten persons, seven representing the private sector, three the government, all of whom are appointed by the Lieutenant Governor-in-Council.

Projects undertaken by the Market Development Centre are cost shared between the Department of Regional Economic Expansion (DREE) and the Prince Edward Island Government.

Objectives

The Market Development Centre provides a marketing consulting service which is available to all Prince Edward Island primary producers, processors and manufacturers. This service is provided freely, or, in the case of a major project, at shared cost.

The objectives are as follows:

* to strengthen domestic markets for Agriculture, Fisheries and Manufactured Products originating on Prince Edward Island
* to explore, determine and develop international markets for Prince Edward Island products
* to determine market potential and encourage businessmen to take advantage of identified opportunities
* to provide marketing service to the provincial line departments of Agriculture, Fisheries and Industry
* to improve the image of Prince Edward Island primary, processed and manufactured products in all major markets
* to provide assistance in package design, labelling, and sales promotion, to primary producers, processors and manufacturers
* to develop new products, reformulate existing products and provide quality control services
* to provide a market information service to Island producers, processors and manufacturers including pricing data, tariffs, patents, franchises, technical innovations, market reports, etc.

1982 Program Activities

* A total of 397 projects were initiated on behalf of M.D.C.'s clients

* Projects initiated by sector:

Agriculture	69
Fisheries	140
Industry	153
General	35
TOTAL	397

* 74 projects in the area of sales assistance.

* 48 projects in the area of product development.

* 60 projects in the area of market education, organization and research.

* 90 projects providing assistance in advertising and promotion of Island products.

* 71 projects for Island firms to participate in trade shows.

* 9 projects to provide assistance in product design.

* 27 projects to provide market familiarization trips and organize incoming buyers.

* 6 projects providing complete marketing programs.

* 3 projects providing specialized marketing assistance.

* 9 projects in the area of licensing and joint venture.

The Future

* Market research to identify new opportunities for processed, and manufactured products.

* Continued emphasis on value-added products.

* Increased emphasis on product development related to resource base commodities.

* Increased emphasis on trade shows and trade missions, both interprovincial and international, to develop new markets for our Island products.

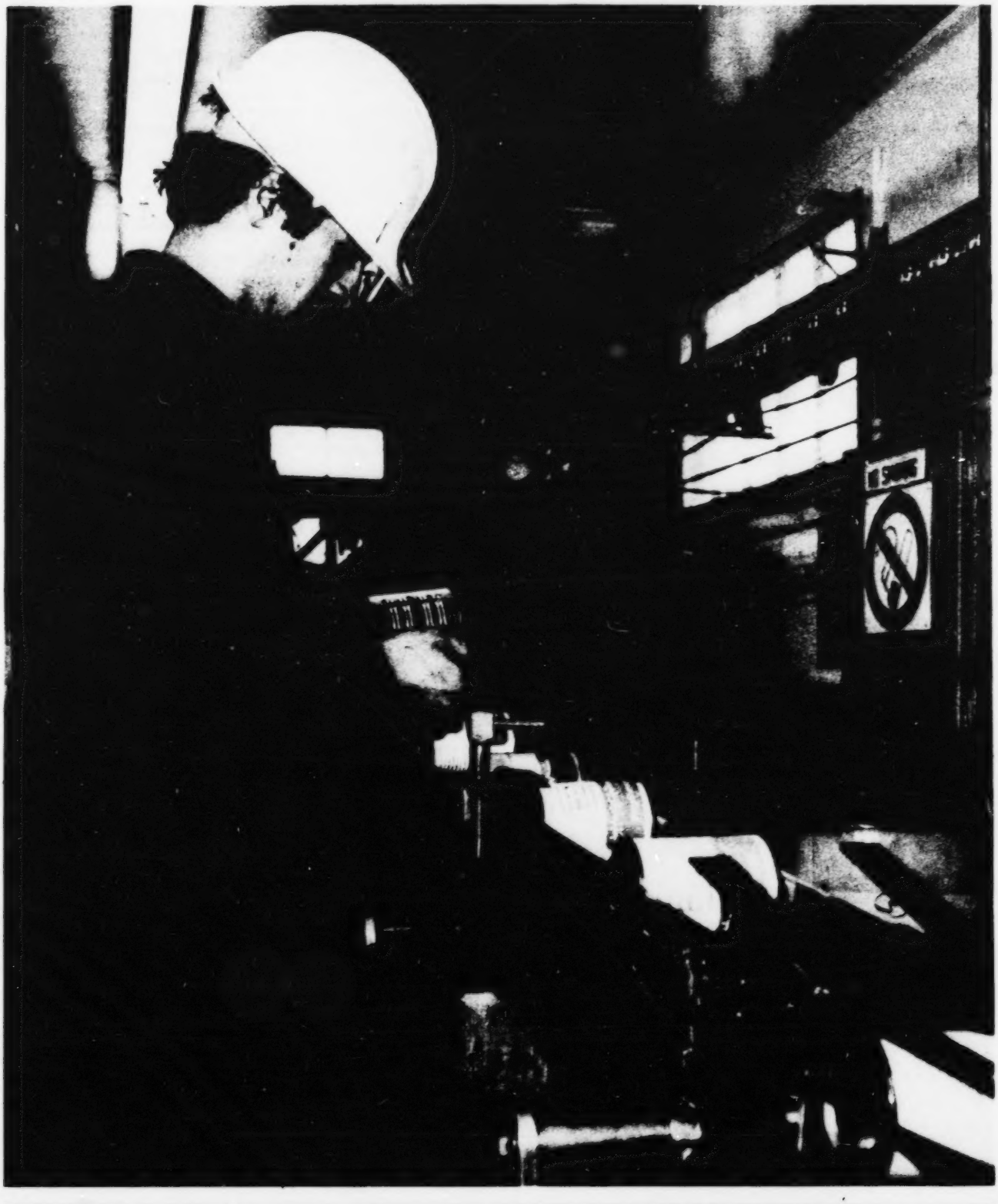
* Encourage Island companies to participate in Licensing/Joint Ventures projects to secure new technology for product line extensions.

* Continued emphasis in locating specialized marketing personnel to advise on marketing methods and techniques to solve special marketing problems.

* Continue to promote and build a strong consumer acceptance for Island products both locally, nationally, and internationally.

* Increased emphasis on export market development through a pilot program of Export Contracting to encourage and assist Island firms to become involved in the export market.

Agriculture



Agriculture

Crop Development

Cole Crops

For the fourth consecutive year, the Market Development Centre and the P.E.I. Department of Agriculture co-operated on a project to re-establish a viable cole crop industry. Brussels sprouts and cauliflower were again grown this year; however, there being no processing market, broccoli was grown only on a very limited basis for the fresh market.

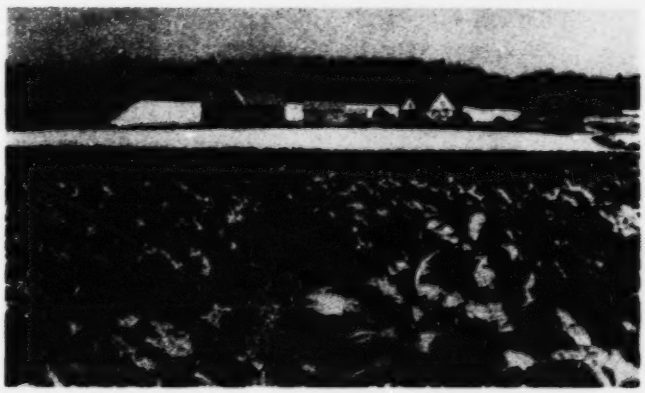
Both the brussels sprouts and cauliflower were handled as in previous years with the exception that one grower invested in a system that harvests and strips the sprouts right in the field.

In 1982, 200 acres of brussels sprouts and 80 acres of cauliflower were planted. In the case of brussels sprouts, a problem with slugs resulted in less than half the acreage being harvested and 473,000 pounds of sprouts sold. In the case of cauliflower, the utilization of a seed variety which yielded product not suitable for processing resulted in only 15 percent being harvested and 60,000 pounds sold. Despite these problems, processors have again indicated an interest in purchasing cole crops next year.

Funding, advice, technical service and production service for the cole crop project were provided by the P.E.I. Department of Agriculture, while the Market Development Centre, through the company Ward Holdings Ltd., handled negotiations with processors, contracts and all areas related to the processing of crops.

Blueberry Market Planning

The Market Development Centre provided assistance to the P.E.I. Department of Agriculture and the P.E.I. Blueberry Growers' Co-Operative in developing and implementing a blueberry marketing program. Participating growers pooled their blueberries and offered them as a block to processors to bid on. Blueberries were shipped to a central receiving station where they were cleaned, packed and shipped to the successful bidder. A total of 350,000 pounds of blueberries were handled by the receiving station during the past season.



Commodity Promotions

Potato Promotion 1982-1983

The Market Development Centre again provided assistance to the Prince Edward Island Potato Marketing Board in the planning and implementation of a promotional campaign in the Toronto, Montreal and Boston markets. It marked the sixth consecutive year of concerted advertising and promotional activities in both Toronto and Montreal, and the fourth consecutive year of active promotion in the increasingly significant Boston market.

As in 1981, this year's campaign was kicked off with an introductory trade dinner in each of the three centres; invited guests included potato brokers, potato dealers, and chain store buyers, with attendance far heavier than in the previous year. The trade dinners were followed with a consumer advertising campaign featuring upbeat radio commercials which were aired in each of the cities for a thirteen (13) week period commencing late November. A commercial was developed for each market which identified with a particular characteristic of that market. Each commercial attributed the superior quality of P.E.I. potatoes to the unique red soil in which they are grown.

Commodity Promotions Continued

Simply stated, campaign objectives were to maintain the dominant market share held in Toronto and to increase market shares in each of Montreal and Boston. As in previous years, the Market Development Centre commissioned an independent consumer survey to act as a vehicle for obtaining an objective evaluation of the campaign and as a means for learning more about consumer attitudes and habits.

Pork Promotion

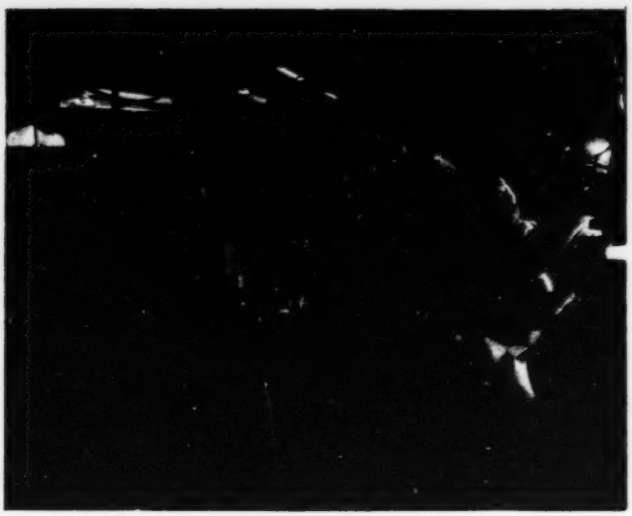
In 1982, pork promotion was undertaken on both a provincial and a Maritime level. All pork promotion programs were sponsored on a co-operative basis by the Market Development Centre, the Department of Agriculture and the P.E.I. Hog Commodity Marketing Board. On a provincial basis the promotional activities included assistance to a local entrepreneur in expanding a mobile barbecue food service "The Sizzler — Island Pork Barbecues", development of a new brochure featuring pork recipes for family meals, participation in two "Foods Fantastic From P.E.I." promotion programs and sponsorship of the expanding "Producers Wives" organization. On a Maritime level, the Prince Edward Island pork industry was represented at the "ApEx" and "Food Atlantic" shows. In addition P.E.I. co-operated with New Brunswick and Nova Scotia in a ten week newspaper advertising campaign aimed at increasing the consumption of pork through the distribution of recipes. Similar types of promotions are being planned for 1983.

Egg Promotion

Along with the P.E.I. Department of Agriculture and the P.E.I. Egg Commodity Marketing Board, the Market Development Centre participated in a 1982 Fall Egg Promotion. The objectives of this promotion were to increase consumer use of fresh eggs as an economical, tasty and convenient lunch or supper dish, to promote eggs through the school system and to create public awareness and appreciation of the P.E.I. egg industry. This year's activities included distribution of egg publications, participation in a food show entitled "Foods Fantastic", preliminary work for a new recipe publication, redesign and makeup of the egg character costume, presentation on eggs to the Home Economics Teachers' Workshops and distribution of "The Case of the Missing Egg" kits to elementary school libraries. At time of writing, evaluation of this promotion has not been completed, however, plans are underway for 1983 promotional activities.

Blueberry Promotion

The Market Development Centre, in co-operation with the P.E.I. Department of Agriculture, assisted the P.E.I. Blueberry Growers' Association with the promotion of blueberries during the 1982 harvest season. The 1982 promotion consisted of advertising and distribution of a recipe and information brochure entitled "August Blue", both advertised the availability of the blueberries and encouraged their purchase by consumers.



Agriculture

Strawberry Promotion

A 1982 Strawberry Promotion was co-sponsored by the Market Development Centre, the P.E.I. Department of Agriculture and the P.E.I. Strawberry Growers' Association. The promotion consisted of some newspaper ads promoting the use of freezer berries and other ads featuring Strawberry growers. Additional activities included distribution of "The Strawberry Patch" publication and strawberry posters via growers, newspaper ads and retail outlets; newspaper and radio releases dealing with recipes and the industry; and participation in "Foods Fantastic" and a joint strawberry promotion with the Island market. The objectives of the promotion were to create awareness of the industry and availability of the product, to provide ways of using frozen and fresh strawberries and to encourage the use of berries in the freezer.

Farmers' Market

Again during 1982, the Charlottetown Farmers' Market enjoyed great success at their Harbourside location in old Charlottetown. During the busy season, the Market was open three days a week, reducing to one day a week during the slower winter season. In addition to supplying advertising and organizational assistance along with the P.E.I. Department of Agriculture, the Market Development Centre also provided point of purchase material to the Farmers' Market and cost shared the purchase of plastic carry out bags. The future looks very bright for the Charlottetown Farmers' Market as well as for other Island markets and it is hoped that the acquisition of a permanent home will take place in the very near future.

Promotional Materials

Potato Brochure and Recipe Booklet

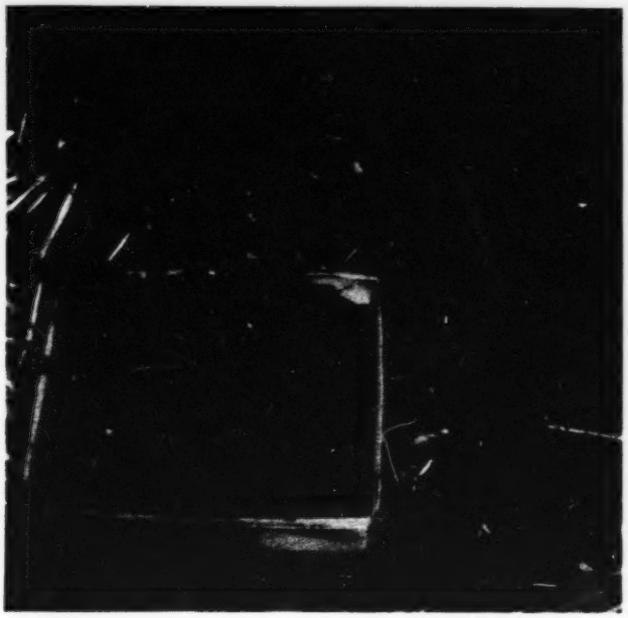
Assistance was provided in the design and production of the potato brochure "From Our Island Garden to You" and the recipe booklet "To Potatoes with Love"

Each presents a mixture of favourite old-time recipes along with challenging new recipes developed with P.E.I. potatoes in mind.

Copies of each are distributed by the Potato Marketing Board and are used extensively at trade shows and point of purchase displays.

Farm Fresh Products Directory

A revised 1982 edition of the Farm Fresh Products Directory was printed which lists market gardeners, their location, type of operation (U-Pick or Roadside Stand) and products available and encourages Islanders and tourists to purchase farm fresh products. Ten thousand copies of the directory were distributed via tourist bureaux (P.E.I., Nova Scotia and New Brunswick), provincial regional agricultural offices, Chambers of Commerce, Island Information Service and the Charlottetown Farmers' Market. This publication remains a very popular item and will be updated for 1983.



Agriculture

Farm Fresh Lamb Directory

A new 1982 edition of the Farm Fresh Lamb Directory was distributed via District Agricultural Offices, the P.E.I. Department of Agriculture, Island Information Service, Department of Tourism, Market Development Centre and the lamb producers. This brochure informs the consumer when and where to buy fresh lamb, what types of cuts you can buy, other sheep by-products available, nutrient value of lamb, economic considerations (weights and prices) and breeding stock. The directory, a co-operative effort between the Prince Edward Island Sheep Breeders' Association and the Market Development Centre, encourages Island consumers to purchase more fresh lamb.

Market Research

Cole Crop Feasibility study

A study to determine the feasibility of expanding the cole crop industry on P.E.I. was commissioned during 1982. A steering committee was set up to draft terms of references, select consultants and guide the overall direction of the study. Phase I of the study has been completed and indicates an expanded cole crop industry on P.E.I. would be viable. A decision to proceed with Phase II will be made after thorough study of the Phase I document by the cole crop steering committee.

Market Study — Pelleted Feeds

A study of the Atlantic Market for various pelleted feed products was undertaken in conjunction with an Island Company. The study considered such factors as consumption, competition, market size, distribution, trends, etc. for pelleted feed and related products.

Lettuce Market Information

Information on the fresh market for lettuce in the Atlantic Provinces and Boston was provided to the P.E.I. Department of Agriculture and the P.E.I. Vegetable Growers' Co-Operative. The information was used in developing and implementing a plan to increase the production and marketing of lettuce.

Dairy Products

Market research studies were conducted on behalf of two Island dairies. Consumer surveys, consumer test panels and company analysis were used in determining marketing strategies that would be most beneficial to the company.

Agriculture

Trade Shows

Food Fair Atlantic

The Market Development Centre, again this year, sponsored a booth at the third Annual Food Fair Atlantic held in Dartmouth, Nova Scotia, during the month of September. The show was attended by a record breaking 21,000 people who tasted a variety of food products. Approximately 11,000 samples of Island foods were distributed through the P.E.I. booth. The purpose of the booth was to inform the consumers as to what products are produced on P.E.I. and where these products can be purchased.

Product Promotion

Culinary Competition

The Market Development Centre assisted Chef Ian Neilson of Holland College in featuring Island products at an international culinary competition in Prague, Czechoslovakia. As well as preparing Island seafoods, meats and vegetables Chef Neilson used Island manufactured cookware. The quality Island products combined with Mr. Neilson's expertise helped to win a Gold Medal.

Co-Op Atlantic Promotion

In June of 1982, the Market Development Centre and ten Co-Op stores across the Island participated in an Island product promotion. A consumer contest awarded a first and second cash prize to shoppers at each store. In addition, cash prizes were awarded to two managers for the best display of Island products and use of the point of sale material supplied to them. The purpose of the promotion was to promote P.E.I. food products to consumers and create more awareness of these products.

Demonstrations and Displays

The Market Development Centre assisted a local processor in promoting their existing product line, through in store demonstrations in major population centres of the province.

During June, July and August of 1982 the Market Development Centre set up a display of Island food products in the Summerside Visitor Centre. The display served to inform both Islanders and tourists of the number and variety of Island produced food products available.

Fisheries

Fisheries

General Overview

Although 1982 could not be called a "banner year" there was some improvement in prices and markets for specific products.

This improvement could be attributed, in part, to the responsiveness and flexibility shown by processors in product diversification. These developments were based on market information and requirements and resulted in a product mix suited to the market demand. This led to reduced carry over of products. It is interesting to note that requests for assistance by processors to the Fisheries Price Support Board have steadily declined and no requests have been made for several years.

One continuing area of concern is that of the hake fishery. Because of lower priced South American imports into the United States demand has remained poor for the Canadian product.

It is hoped that the introduction of a new processing/packaging technique, coupled with an aggressive advertising and promotional campaign, will improve the situation in future.

Shellfish

Lobster

Landings of lobster for the 1982 season increased by 2.4% to 5.53 million kg. (12.17 million lbs) with a total value of $22.6 million; an increase of 19.3% over the 1981 dollar value. Average prices in 1982 were 85 cts/kg (1.86/lb.) compared to 72 cts/kg ($1.59/lb) in 1981.

Demand was strong for processed products, namely hot and cold pack, although as previously predicted, the sale of lobster-in-brine products peaked during 1982. A lobster-in-brine product, with the brine reduced by up to 60%, is enjoying good market success in Europe and will be evaluated this year.

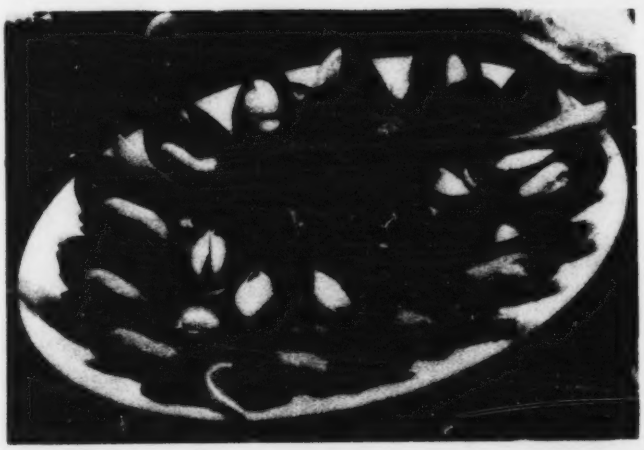
Because of high retail prices, both in North America and Europe, many requests have been received from buyers asking for smaller unit sizes i.e. 100g, 200g, etc., as opposed to the 320g (11.3 oz) frozen pack. Requests have also been made for different types of packaging e.g. vacuum-packed blocks as opposed to cans.

Cultivated Mussels

Landings of cultivated mussels in 1982 witnessed only modest growth; total landings were estimated at 108,000 lbs as compared to 102,000 lbs during 1981. Although the industry continued to experience winter harvest problems, significant advances in both quality and yield were evident.

Throughout 1982, the Market Development Centre provided ongoing market support for the industry by means of a number of projects directed towards market research and identification and promotional materials. Specifically, M.D.C. staff conducted an investigative study into the potential for cultivated mussels in Central Canadian markets and assisted industry representatives in exploring new market opportunities. As well, new promotional materials aimed principally at the restaurant trade were developed and produced for use by the entire industry. An ongoing program of market information was conducted at the Centre for purposes of keeping industry representatives abreast of significant market developments at both the produce and buyer levels.

For 1983, significant increases in landings are predicted which will demand increasingly aggressive and innovative marketing strategies.



Fisheries

Malpeque Oysters

As has become tradition, the Market Development Centre in conjunction with the Malpeque Oyster Shipper's Association, hosted a reception of Island oyster shippers and Central Canadian buyers in Montreal during December. Held at the Queen Elizabeth Hilton, the reception was attended by better than forty representatives of the trade and media, and was highlighted with a shucking display by Canada's Oyster Shucking Champion Blair Smith of P.E.I.

The continuation over the years of promotional activities in respect of Malpeque Oysters has contributed significantly to the consumers' perception of "Malpeques" as the best; this in turn has lead to Island shippers receiving premium prices for their oysters. Since 1975 the year active promotion of "Malpeques" was initiated, the percentage share of oysters landed and marketed by P.E.I. in relation to all oyster landings in the Maritime provinces has climbed from 52% to a high of 79% in 1981.

During 1982, distribution of promotional materials such as full colour posters, brochures and restaurant aids by industry representatives and M.D.C. staff at various trade shows and receptions served to strengthen and reenforce the "Superiority" image of Malpeque oysters, consumers the world over no longer ask for oysters, they ask for Malpeques.

Groundfish

Preliminary statistics for 1982 indicate a 6.5% decrease in groundfish landings to 19.2 million kg. from 20.5 million kg. in 1981.

Cod landings were down by 17.2% to 4.8 million kg compared to 1981 statistics.

The preliminary landed value statistics for the total groundfish industry indicate a decrease of 21% to $4.28 million from $5.42 million.

Landings of hake were down by 20.8% to 4.7 million kg. compared to 5.9 million kg. in 1981. A major factor being the temporary closure of one fish plant due to poor markets and higher standards for this species.

The P.E.I. hake species has always been a problem to dispose of in the marketplace due to significantly lower prices for the South American species on the U.S. market. It is hoped that the introduction of new packaging techniques and consumer promotion at the store level will help improve this market.

Cultured Trout

Production of both saltwater and freshwater cultured trout peaked in 1982 with an estimated harvest of nearly 20,000 lbs. The Market Development Centre, on behalf of the P.E.I. Trout Grower's Association, conducted preliminary research into market situations in Central Canada and assisted with local in store displays of fresh product. Potential market opportunities were identified in the United States, however, high production costs at home posed a significant obstacle in terms of penetrating export markets.

Anticipated increases in production for 1983 will pose interesting challenges in terms of marketing and should lead to some form of diversification from the "fresh only" product available. Price of product will be a significant factor in its success in the marketplace.

Trade Shows

As in previous years the M.D.C. afforded P.E.I. seafood processors the opportunity of attending and/or exhibiting at pertinent food shows across the world, including:

10th Biannual Salon
International D'Alimentation (S.I.A.L.)

HostEx '82
Boston Consulate
New York Consulate
Food Fair Atlantic

Over the years, attendance at these shows has lead to many valuable contacts in the seafood industry as well as being useful tools in gathering information on developments in the industry in terms of marketing, processing and product development.

Fisheries

Technical Assistance

Product Development Projects included:

- Vacuum-packaging of seafood products
- Analysis of vacuum-packaged mussel meats
- Analysis of vacuum-packaged mackerel fillets
- Analysis of deboned lobster meat to determine product specifications
- Improvement of texture of hake in frozen storage
- Evaluation of seafood products packed in aluminum cans
- Development of smaller unit sizes for the lobster industry
- Seafood formulations for marinated and smoked products

Packaging and Labelling

- Continuing label design for aluminum cans
- New lobster label
- Canadian Whiting labels
- Mackerel labels
- Dual purpose packaging
- Universal boxes and master containers to reduce inventory cost
- Smoked fish designs
- Minced clam labels

Market Information System

The compilation of market information from many sources coupled with statistics on inventories in the United States and Canada forms the basis of the market information system.

Reports are issued weekly to Island processors and fisheries related organizations. The system has enabled several processors make logical decisions on whether to sell or not.

Sales and Promotional Activities

Hilton Canada Promotion

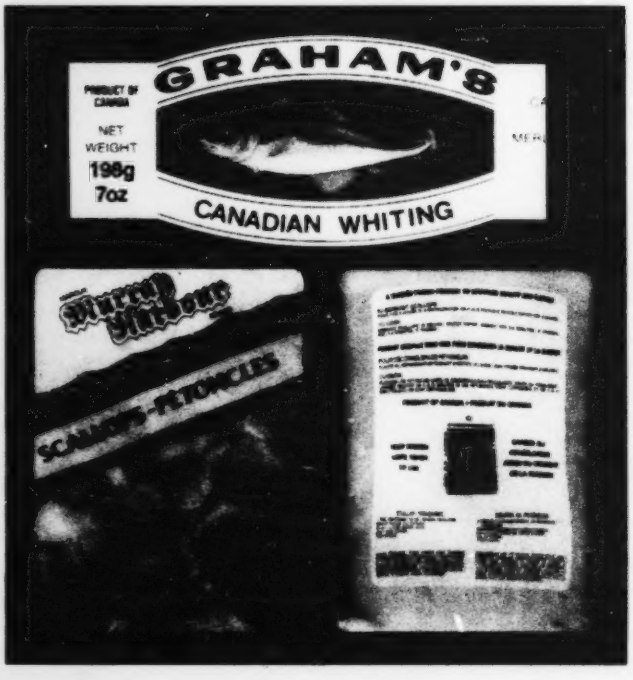
Hilton Canada featured a range of Island seafoods in three of their major restaurants in Ontario and Quebec during 1982. The Market Development Centre co-operated with the P.E.I. Department of Tourism and Finance in supplying promotional materials, and hosting seafood receptions to launch the festivals which ranged from two to three weeks in length. The seafood festivals which featured lobsters, mussels, scallops, oysters, quahaugs, and a variety of smoked fish are to be continued in 1983.

Consumer Education

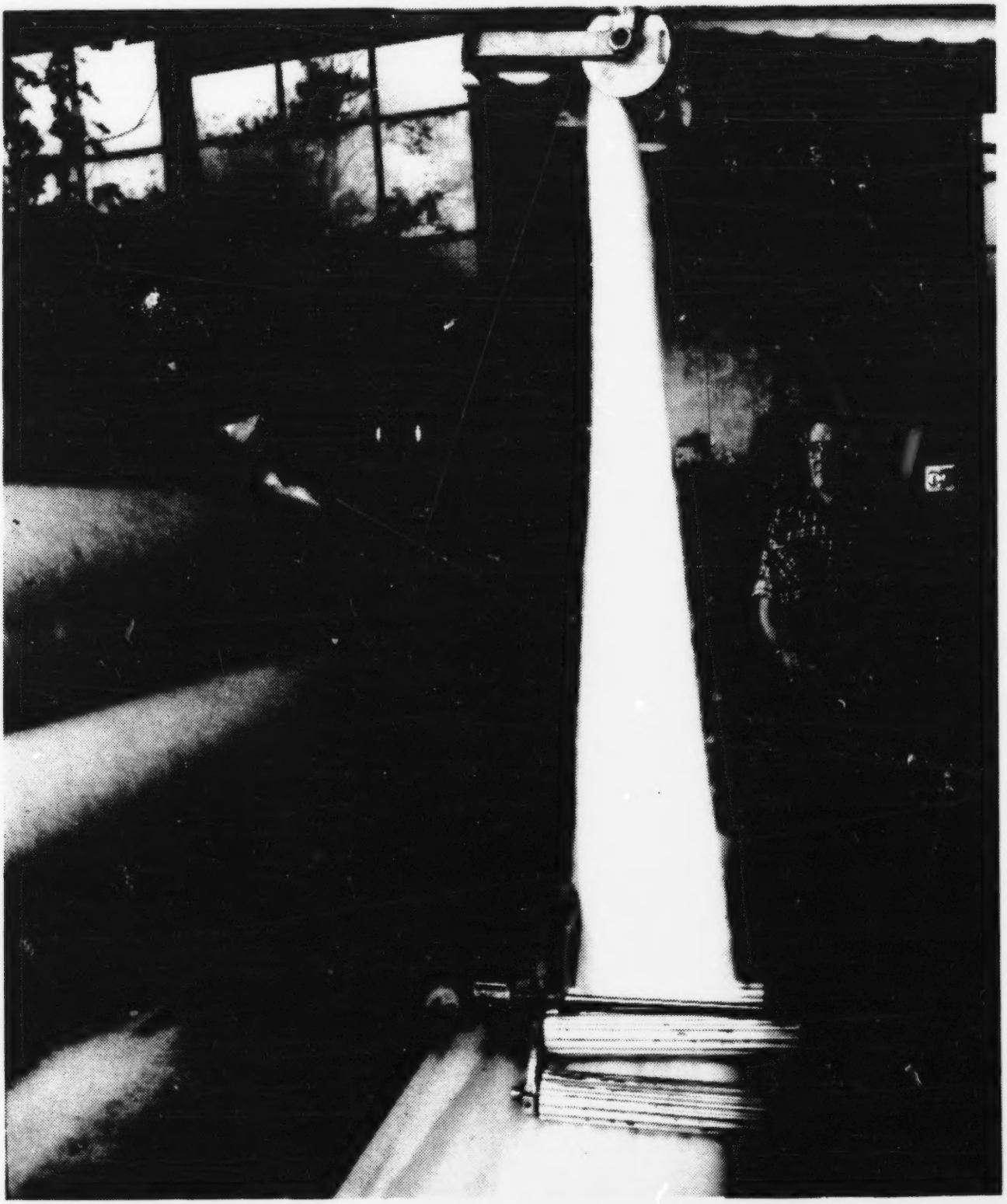
In store demonstrations, radio advertising, newspaper advertising, television commercials, and recipe distribution were all utilized as a means of informing Island consumers of the variety of local seafood products available. These promotions were designed to increase the per capita consumption of P.E.I. fish and shellfish. They featured both fresh and processed seafoods depending on the season of the year and the availability of the products.

Promotional Brochures

Two new seafood brochures were produced in co-operation with the Department of Fisheries. They are titled "Out of the Sea and Over the Coals with Prince Edward Island Seafood" and "From the Deep Sea to the Deep Freeze with Prince Edward Island Seafood". The brochures include information on how to either barbecue or freeze P.E.I. seafood successfully.



Industry



Industry

Industrial Marketing

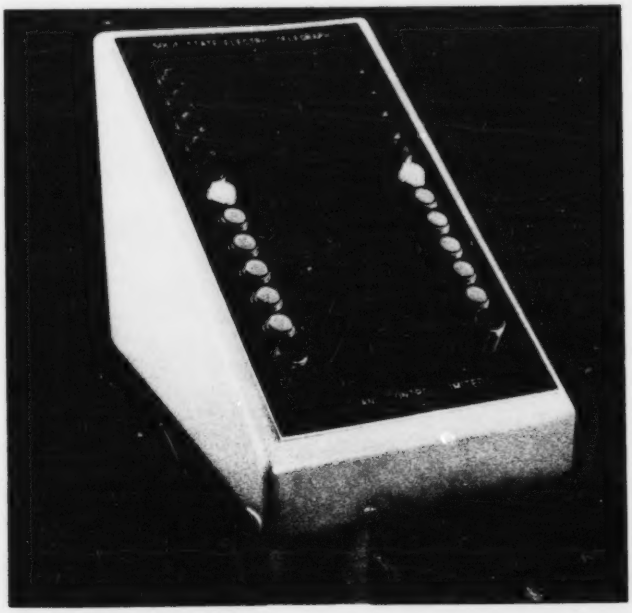
During the difficult economic conditions of 1982, Prince Edward Island manufacturers were required to place increasing emphasis on efficient production and marketing of their product. Assistance provided by the Market Development Centre helped these firms maintain or expand markets, or take advantage of market opportunities for their products. Individual staff members have worked closely with Island companies to develop and implement various marketing activities. Island firms must continue to stress efficient production. There has been increased emphasis during the past year on improving existing products, developing new products and providing specialized marketing assistance to individual companies. Island firms have been encouraged to utilize the services of specialized marketing personnel to overcome specific problems and in developing marketing plans.

Specialized Marketing

This program consists of locating specialized marketing personnel to advise individual companies on marketing methods and techniques to use in solving specific marketing problems confronting the company.

During 1982, the following Island companies were assisted through the services and advice provided by a qualified marketing person:

Benner Industries Ltd.
British Woolen Knitters Ltd.
Island Metal Fabricators Ltd.



Marketing Plans

The following Island firms have developed marketing plans and are now in the process of implementating various marketing activities necessary to stimulate product sales.

British Woolen Knitters Ltd.
Charlottetown Metal Products Ltd.
Paderno Canada Ltd.
Diagnostic Chemicals Ltd.
Imapro Inc.
Island Control Ltd.
Benner Industries Ltd.
Schurman Industries Ltd.
TannerEye Ltd.

Some of the major activities in the various marketing plans included:

Product Development

Design, development and testing of new products and improving existing products.

Market Trips

Visits to new market areas in Canada or the United States to identify and contact potential buyers.

Market Research

Analysis of markets and potential markets for existing and new products.

Distribution System

Identification and selection of the most suitable distributors, agents, jobbers, wholesalers, to market various products.

Trade Shows

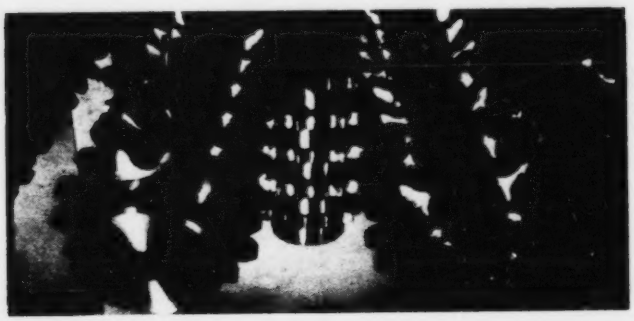
Attendance at major trade shows to promote, demonstrate and sell products.

Market Management

Hiring of qualified marketing personnel within a company to provide "in house" market expertise.

Advertising and Promotion

Production of brochures, catalogues, packaging material, posters, flyers and the use of radio, television and printed advertisements.



Industry

New Markets

Marketing familiarization trips give Island firms the opportunity to examine new markets and gain firsthand knowledge of market conditions. During the past year a number of firms have explored new markets throughout Canada and the United States.

In 1982 marketing trips have resulted in direct sales of over $350,000 in the following product areas:

Investments and Gravity Moulds
Wood Saws and Splitters
Truck Caps
Wood Gasifiers
Paint Products
Espresso Coffee Machines
Optical Frames
Clinical Reagents
Fashion Eye Frames
Marine Hardware
Kitchen Cabinets
Precision Machining
Wood Guard Stains
Fish Tanks
Lobster Trap Components
Tedlar Glazing Panels
Educational Films
Stainless Steel Cookware
Sporting Equipment
Food Processing Equipment
Electrical Control Equipment
Wood Boilers

Product Development

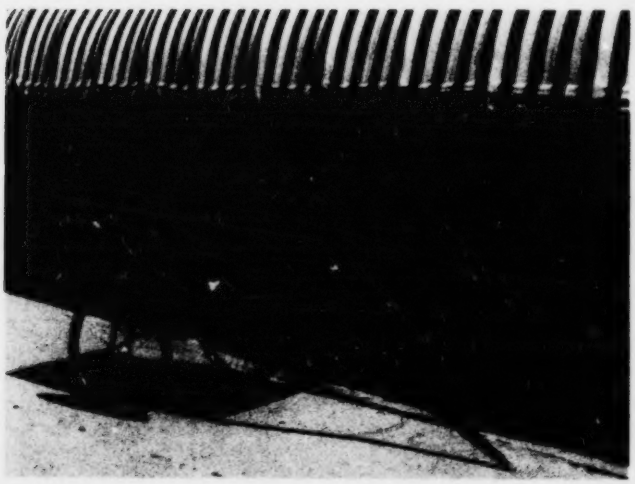
In 1982 the Market Development Centre Products Development Program, along with the M.D.C./Design Canada Product Development Management Program, P.D.M.P. have continued to provide Island firms with access to funds which allows small industries with innovative ideas. The opportunity to initiate the difficult process required to improve existing products and develop new products.

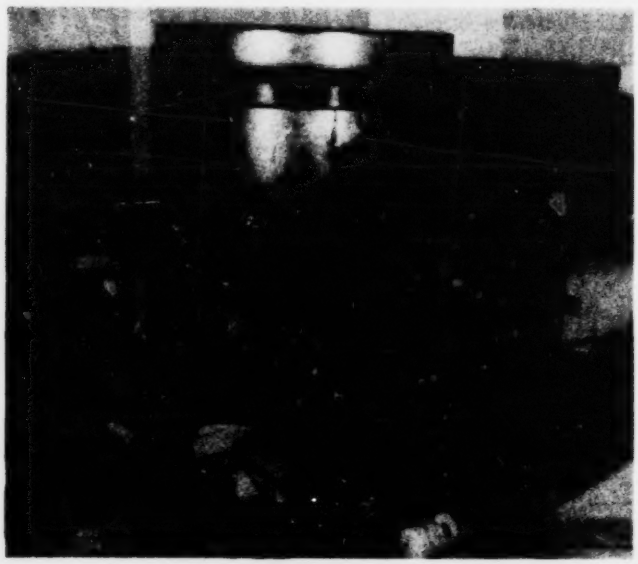
The combined programs provide technical assistance and funding to Island firms to achieve the following:

— Market Research, identification of markets
— Design and prototype of new products
— Expansion of existing product lines
— Improvement in the function and appeal of existing products
— On site demonstration of new products
— Costs associated with improving a manufacturing process to improve operating efficiencies
— Design, artwork and colour separations required in developing new packages and labels.

The following are some examples of projects undertaken in 1982 by firms participating in the above programs:

Automatic Gill Net Hauler — Hall and Stavert Ltd.
Longline Baiting Machine — Hall and Stavert Ltd.
1/4 Ton Truck Caps — Island Fiberglass Industries Ltd.
Telephone Intercept Device — Mermaid Industries Ltd.
Rickshaw Development — Atlantic Specialized Industries
Lobster Fishing Boat Puzzle — IMAP Inc.
Fish Unloading System — Island Metal Fabricators
Ductile Iron Development — Hall and Stavert Ltd.
Testing Commercial Gasifier — Saturn Corporation





Industry

Advertising and Promotion

Printed promotional literature such as brochures, catalogues, product labels and promotional kits require continual upgrading due to changes in government standards, the product and the marketplace.

In 1982 Island firms were assisted with the following promotional items:

Diagnostic Catalogue — Diagnostic Chemical Ltd.

Wood Furnace Brochure — Corrigan's Welding & Wood Stove Centre

Wood Products Brochure — Decor Craft

Soft Drink Label and Poster — Seaman's Beverages Ltd.

Wood Gasifier Mobile Display — Saturn Corporation

Fish Processing Equipment Brochures — Island Metal Fabricators Ltd.

Paint Label Design — Northumberland Chemicals Ltd.

Glazing Panels Brochure — Renewable Energy Systems

Marlin Products Brochure — Marlin Products Ltd.

Kitchen Cabinet Promotion Kit — Kitchen Cabinet Centre Ltd.

Green Gables Toy Poster — IMAP Inc.

Knitwear Brochure — British Woolen Knitters

Window Posters, Labels and Technical Brochure — Schurman's

The M.D.C. assisted firms with newspaper, radio and television ads in the following product areas:

Wood Products
Concrete and Ornamental Iron
Mini Barns, Garages
Glazing Panels
Beverages
Roof Trusses
Control and Distribution Panels
Fiberglass Tanks
Cordwood Saws
Coffee Machines
Fish Processing Equipment
Lobster Trap Bows
Wood Preservatives
Cookware
Wood Furnaces
Berry Rakes

Industry

Audio-Visual Production

Island firms continue to use the services of M.D.C. to develop their —

1. Advertising promotions via T.V.
2. To show manufacturing processes and facilities.
3. Trade show presentation.

The Co-Op advertising program continues to be an effective promotion venture.

Handcraft

The Prince Edward Island handcraft industry continues to prosper, having 75 full-time craftsmen and 800 part-time, most belong to Craft Guilds and Co-Operatives. Total dollar sales were in excess of 2.4 million in 1982.

During the past year, the Market Development Centre continued to provide full-time craftsmen with assistance to attend trade shows, such as the Toronto Spring and Fall Gift Shows and the Montreal Spring and Fall Gift Shows. Assistance was also provided to investigate market opportunities for items such as toys and sweaters, along with the development of packaging, materials sourcing and tariff information.

Market Research

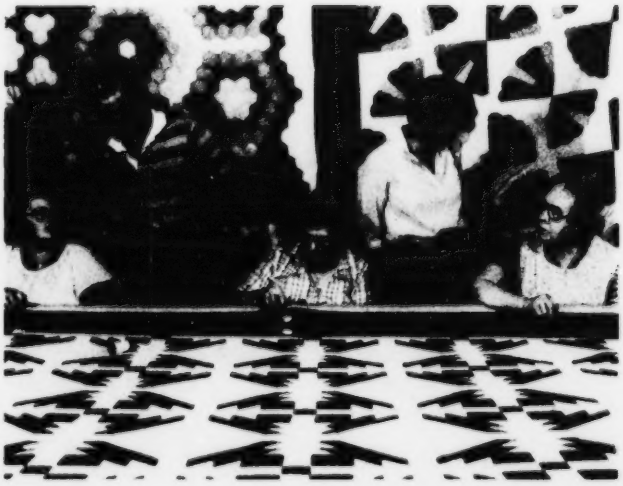
Market research identifies new or increased sales opportunities in domestic or foreign markets. It can provide information on market location, volume, customer needs, competition and other special information thus providing a basic tool in establishing positive opportunities.

The M.D.C.'s market research activities fall into the following categories:

— Established firms requiring information to assist in expanding their present market or developing markets for new product.
— Individuals investigating the feasibility of starting a new business.
— Government departments and other agencies requiring independent verification of a potential new product and/or market.

In 1982 market research was carried out in the following product and market areas:

— Potato Harvester Belted Chains
— Hospital Smock Market
— P.E.I. Pallet Survey
— Demand for Screw Augers
— Zinc Alloy Castings
— Japan Market Information
— Houseware Wood Process
— Hardwood Producer Survey
— Garbage Packer Survey
— Wood Fired Tobacco Curing System
— Survey Maritime Pet Food Markets
— Truss Plates



Industry

Trade Shows

Prince Edward Island firms attended a total of 36 Trade Shows in Canada and United States.

By participating in Trade Shows, Island firms are able to display and promote their products, to increase sales, establish product representatives in the area, see new products and discover what the trends in the market are.

Immediate sales from the following Trade Shows for Island firms participating were $650,000:

Spring Gift Show — Toronto
Canadian Apparel Fashion Fair — Winnipeg
Atlantic Men's Wear Placing — Moncton and Halifax
Business of Industry Show — Charlottetown
Spring Gift Show — Montreal
Sport and Trailer Show — Moncton
Fish Canada '82 — Halifax
Canadian Offshore Resources Exposition — Halifax
Fall Gift Show — Toronto
Atlantic Provinces Construction, Forestry & Mining Show — Moncton
Marine '82 — St. John's Nfld.
Fish Expo '82 — Boston
Fall Gift Show — Montreal
Trade Forum '82 — Toronto
Labratory Technical Association — Charlottetown
Field Display — Sussex, N.B.
HostEx '82 — Toronto
Forestry School Workshop — Fredericton
Sawdust for Energy Workshop — Edmunston
Atlantic Building Supply Show — Halifax
International Boat Show — Toronto
National Houseware Show — Chicago
New York Gourmet Gift Show — New York
Western Hardware and Houseware — Winnipeg
Ideal Home Show — Halifax
Institutional Market Program — Winnipeg
AV — '82 Show — Toronto
Canadian Computer Show — Toronto
Boat and Trailer Show — Saint John and Fredericton
Sussex Recreational Show — Sussex
Calgary Ski Show — Calgary
Montreal Ski Show — Montreal
Canadian Society of Clinical Chemists — Toronto
Chemical Institute of Canada — Toronto
Canadian Society of Laboratory Technologists — Regina
Atlantic Craft Trade Show — Halifax

Licensing/Joint Venture

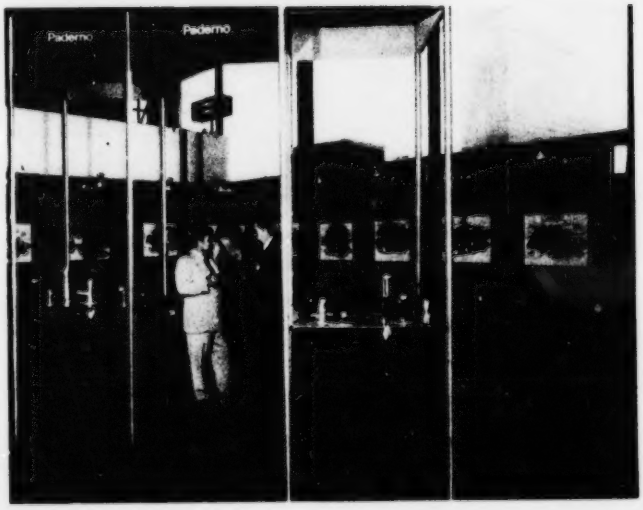
The M.D.C.'s new program, "Licensing and Joint Venture" was implemented to help create new employment opportunities and strengthen Island firms through encouraging processors and manufacturers to secure licensing agreements with companies processing appropriate new products or production technology.

Licensing agreements can eliminate the high cost of research and development and provide the buyers with a proven product, manufacturing technology, marketing techniques and background.

Cost shared financial assistance is being provided in the following areas:

— Locating appropriate sources of new technology.
— Finalizing agreements, including the provision of specialized legal and consulting expertise.
— Royalty guarantees during the first year of the agreement.

In addition to regular program assistance the M.D.C. has implemented a professional search for products and processes which may be of interest to Island firms.



General

Merchandising Program

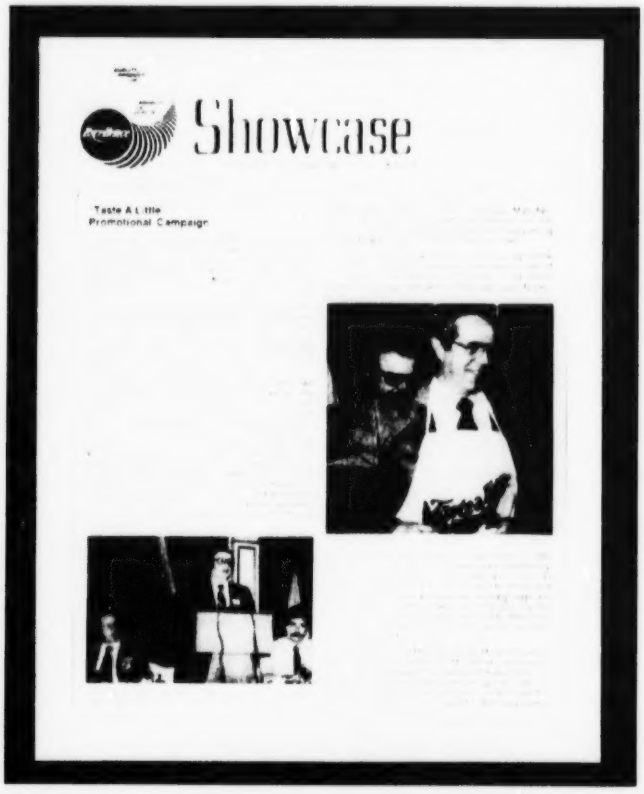
"Taste A Little Island" is the title of an eight month Island products promotional campaign which began in January 1983 and will continue until August. The program is aimed at creating an awareness among P.E.I. consumers to what brands and varieties of food products are produced locally, and to encourage consumers to support Island processors by purchasing their products whenever possible. A launch reception was held in November 1982 to introduce the program to processors, retailers and the media, and to encourage their active support and participation. The "Taste A Little Island" program involved radio contests, radio and newspaper advertising, and point of purchase material including colourful and attractive posters, circular mobiles, and shelf talkers Individual processors participated by arranging in store specials, customizing shelf talkers, donating subsidiary prizes for contests, and utilizing the creative format in newspaper ads as well as the musical bed in radio ads. Upon completion of the "Taste A Little Island" program a follow-up promotion will be arranged.

Atlantic Canada Plus Pak

An advertisement, utilizing the slogan "Taste A Little Island" was placed in the Atlantic Canada Plus Pak, a publication featuring products produced in Atlantic Canada. The advertisement was designed to inform Island consumers of the quality and variety of P.E.I. food products.

Showcase

The Market Development Centre's bimonthly newsletter, Showcase, continues to provide information on marketing activities, new products and opportunities. It also provides coverage on trade shows, missions and other areas of interest.



General

Industrial Incentives Brochure

The Market Development Centre, in co-operation with Industrial Enterprises Incorporated and the Department of Fisheries and Industry, designed and developed a brochure outlining the Industrial Incentives and Development Programs, available to new or existing firms, from the Province of Prince Edward Island.

The M.D.C. portion of the brochure describes the programs in the following areas:

Market Research, Information and Education
Product Development
Licensing/Joint Venture
Sales Assistance
Export Contracting
Marketing Plans
Advertising and Promotion
Trade Shows and Displays
Product Development Management Program

Newfoundland Trade Mission

In August of 1982, a number of Island businessmen participated in a trade mission to St. John's, Newfoundland led by Premier James Lee, assisted by senior government officials representing Industry, Agriculture, Fisheries and Tourism.

The primary objectives of the mission were to inform the business community and the Government of Newfoundland of the variety of products and services available from Prince Edward Island and increase export markets. Attending Island businessmen offered a variety of products and services such as, fresh and processed potatoes and vegetables, assortment of dairy products, fresh and processed meat products, fish processing equipment, knitting yarns, electrical products, boats and marine hardware.

The Trade Mission hosted by the Newfoundland government met and exceeded the initial objectives with many firms having the opportunity to renew former business contacts and to meet and discuss their products and services with potential new customers.

A reciprocal mission is planned for the coming year.

Appendix A

Firms Assisted by the M.D.C. in 1982

Acadian Fishermen's Co-Op
Amalgamated Dairies
Atlantic Fish Specialties Ltd.
Atlantic Specialized Industries Inc.
Babineau Fisheries Ltd.
Benner Industries Ltd.
British Woolen Knitters (Canada) Ltd.
Campbell & Burns Limited
Campbell's Concrete Ltd.
Carota Films
Cass Craft of P.E.I.
Cavendish Farms Ltd.
Central Industries Ltd.
Charlottetown Farmers' Market
Charlottetown Metal Products Ltd.
Condon, William & Sons Ltd.
Corrigan's Welding & Wood Stove Centre
Cousins Ltd., Don
Cousins, William
Decor Craft
Diagnostic Chemicals Limited
Dover Woodworking
Excel Optical Limited
Espresso Corp.
Gallant Welding, Wayne
Garden City
Georgetown Packers Ltd.
Georgetown Shipyards Inc.
Graham, Wendell, Limited
Hall & Stavert Limited
Health Pasturized Milk Co.
Ideal Dairy Ltd.
IMAP Inc.
Imapro Inc.
Island Control Limited
Island Fiberglass Industries Ltd.
Island Meat Packers Ltd.
Island Metal Fabricators Ltd.
Island Resources Ltd.
Johnston's Home Style Products Limited
Keeping & MacKay Ltd.
Kitchen Cabinet Centre
Langmar Enterprise
Leoville Industries Ltd.
M & S Metal Works Ltd.
Mahemigew Inc.
Marlin Products
Mermaid Industries
Mill Creek Farms
Moteak Designs
Murray Harbour Seafoods Ltd.
Nickerson Seafoods Ltd.
North Ocean Enterprises
North Shore Packing Company Ltd.
Northumberland Chemicals Inc.
Northumberland Seafoods Limited
Orwell Studios
Paderno Canada Limited
Perfection Foods Limited
Points East Productions
Polar Seafoods Ltd.
Preci-Tech Ltd.
Precision Products and Services Ltd.
Pure Milk Co.
Rainwater Pottery Limited
Renewable Energy Systems
Saturn Corporation
Saw Industries Inc.
Schurman, M.F. Company Limited
Seaboard Digital Systems Inc.
Seaman's Beverages Ltd.
Shumates, The
Sun Valley Farm & Hatchery Ltd.
TannerEye Ltd.
United Maritime Fishermen
Visser, Peter, Farms Ltd.

Assistance was provided to Commodity Boards, Marketing Boards, Associations and Government Departments by the Market Development Centre in 1982.

Atlantic Mussel Growers' Association
Chamber of Commerce
Cole Crop Committee
Department of Agriculture and Forestry
Department of Community Affairs
Department of Fisheries
Department of Tourism, Industry and Energy
Farmers' Market Committee
Five Nations Indian Council
Food Processors Association of P.E.I.
Industrial Enterprises Incorporated
Mt. Pleasant Cranberry Growers' Association
P. E. I. Beekeepers' Association
P. E. I. Blueberry Growers' Association
P. E. I. Blueberry Marketing Co-Op
P. E. I. Cole Crop Growers' Association
P. E. I. Craft Industry
P. E. I. Egg Commodity Marketing Board
P. E. I. Hog Commodity Marketing Board
P. E. I. Irish Moss Fishermen's Association
P. E. I. Market Gardeners
P. E. I. Manufacturers' Association
P. E. I. Oyster Growers' Association
P. E. I. Oystermen's Association
P. E. I. Potato Marketing Board
P. E. I. Potato Producers
P. E. I. Seafood Processors' Association
P. E. I. Sheep Breeders' Association
P. E. I. Shellfish Growers' Association
P. E. I. Strawberry Growers' Association
P. E. I. Trout Growers' Association
P. E. I. Vegetable Growers' Co-Op Association Limited

Appendix B

Board of Directors

Name	Representing
Thomas L. DeBlois Chairman	Private Sector
Pius Callaghan Vice-Chairman	Private Sector
Regis Duffy	Private Sector
Harry Fraser	Private Sector
Milton MacKay	Private Sector
Rundell Seaman	Private Sector
Charles Yeo	P.E.I. Marketing Council
Harry O'Connell	Department of Fisheries and Industry
Lloyd Palmer	Department ofAgriculture
Garth Staples	Department of Finance and Tourism

The staff of the Market Development Centre would like to take this opportunity to thank all members of the Board of Directors for the time and effort they have put into the Centre's activities in the last year.

Staff

Don Baker	General Manager and Secretary-Treasurer to the Board of Directors
Sabina Mallard	Administrative Assistant
Jim Bliss	Director of Product Development
Stan Hayes	Director of Marketing
Ellen Rioux	Accounting and Administration Director
Barbara Birch	Market Development Officer
Jim Clark	Market Development Officer
Joe Gillan	Market Development Officer
Blair MacDonald	Market Development Officer
Arlene Ranahan	Market Development Officer
Kerry Quinn	Market Development Officer
Janis Agnew	Accounting Technician
Ruth Chandler	Secretary
Nancy Murphy	Secretary
Marie MacInnis	Clerk (Post Office)

Appendix C

Auditors' Report

To the Board of Directors of The Prince Edward Island Market Development Corporation

We have examined the balance sheet of The Prince Edward Island Market Development Corporation as at March 31, 1982 and the statement of revenue and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Corporation as at March 31, 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied, except for the change in the method of accounting for the investment in subsidiary as explained in Note 1 (b) to the financial statements, on a basis consistent with that of the preceding year.

H R Doane and Company

Chartered Accountants

Summerside, Prince Edward Island
May 21, 1982

The Prince Edward Island Market Development Corporation
Balance Sheet
March 31, 1982

Assets

Current	1982	1981
Cash and term deposits	$ 123,289	$ 64,834
Receivables	44,363	50,607
	167,652	115,441
Investment in subsidiary (Note 3)	3,395	2,500
Equipment and office furnishings, at cost	65,519	54,315
	$ 236,566	$ 172,256

Liabilities and Equity

Current		
Payables	—	$ 3,160
Excess of revenue over expenditure (Note 4)	$ 171,047	114,781
Investment in equipment and office furnishings	65,519	54,315
	$ 236,566	$ 172,256

The Prince Edward Island Market Development Corporation
Statement of Revenue and Expenditures
Year Ended March 31, 1982

	1982 Actual	1982 Budget	1982 Actual
Revenue			
Province of Prince Edward Island, Operating grant	$ 1,299,400	$ 1,299,400	$ 1,298,800
Expenditure			
Administration	90,365	100,000	88,813
Marketing programs	692,995	525,800	637,206
Equipment and office furnishings	2,200	1,500	848
Materials and supplies	27,325	28,000	23,995
Professional fees	81,768	161,000	93,390
Salaries	388,775	423,100	453,901
Travel	54,738	60,000	62,656
	1,338,166	1,299,400	1,360,809
Less: recoveries (Note 2)	208,918	—	176,790
	1,129,248	1,299,400	1,184,019
	170,152		114,781
Income from investment in subsidiary (Note 3)	895		
Excess of revenue over expenditure (Note 4)	171,047		114,781
Excess of revenue over expenditure, beginning of year	114,781		124,025
	285,828		238,806
Repayment	114,781		124,025
Excess of revenue over expenditure, end of year	$ 171,047		$ 114,781

The Prince Edward Island Market Development Corporation
Notes to Financial Statements
March 31, 1982

1. Accounting policies

a) The cost of equipment and office furnishings is written off in the year incurred. The accumulated costs are carried on the balance sheet as investment in equipment and office furnishings. No depreciation policy has been established to this date.

b) Change in accounting policy

During the year, the corporation changed its method of accounting for its investment in its wholly owned subsidiary from the cost method to the equity method. The accumulated earnings of $895 prior to this change has been included as investment income of the current year.

Had the corporation not made this change in accounting policy, the current years excess of revenues over expenditures would have been reduced by $895 to $170,152.

2. Recoveries of expenditure

	1982	1981
Revenue from projects	$ 158,993	$ 123,240
Interest on term deposits	47,890	50,432
Sundry	2,035	3,118
	$ 208,918	$ 176,790

3. Investment in subsidiary

On the instructions of Executive Council of the Province of Prince Edward Island, the Corporation was directed to purchase and operate Ward Holdings Ltd.

The following is a condensed version of the assets and liabilities, and results of operations of Ward Holdings Ltd. as shown in the financial statements for the thirteen months ended March 31, 1982.

Balance Sheet

Assets	Mar. 1982	Feb. 1981 (Unaudited) (Restated)
Current assets	$ 9,802	$ 31,870
Equipment (Note 1)	1	1
	$ 9,803	$ 31,871
Liabilities		
Current liabilities	$ 6,408	$ 28,476
Shareholders' Equity		
Capital stock	2,500	2,500
Retained earnings	895	895
	3,395	3,395
	$ 9,803	$ 31,871

Statement of Income

	Thirteen Months Ended Mar. 1982	Year Ended February 1981 (Unaudited) (Restated)
Revenue	$ 229,948	$ 241,841
Expenses	229,948	240,202
Net income	NIL	$ 1,639

Note 1:
Ward Holdings Ltd. follows the method of writing off fixed assets in the year of purchase. Accordingly the fixed assets which had a cost of $191,645 (1981 $131,854) are carried in the financial statements at the nominal value of $1.

4. Excess of revenue over expenditures

This amount is to be repaid to the Province of Prince Edward Island.

Design: Design Associates Limited
Charlottetown,
Prince Edward Island
Printing: Williams & Crue Limited
Summerside,
Prince Edward Island

Produced by
Prince Edward Island
Market Development Centre
P.O. Box 1510,
Charlottetown,
Prince Edward Island
C1A 7N3 Canada
(902) 892-4165